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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 22-10964 (MG)

(Jointly Administered)

**NOTICE OF REVISED PROPOSED ORDER IN CONNECTION WITH THE MOTION
OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR ENTRY
OF AN ORDER (I) ESTABLISHING PROCEDURES TO ESTIMATE THE
INTERCOMPANY CLAIM THAT CELSIUS NETWORK, LLC HAS AGAINST
CELSIUS NETWORK LIMITED AND (II) GRANTING RELATED RELIEF**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 USA LLC (9450); GK8 Ltd. (1209); and GK8 UK Limited (0893). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

The Official Committee of Unsecured Creditors (the “**Committee**”) of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), by and through its undersigned counsel, hereby submits this notice of revised proposed order in connection with the *Motion of the Official Committee of Unsecured Creditors for Entry of an Order (i) Establishing Procedures to Estimate the Intercompany Claim That Celsius Network, LLC Has against Celsius Network Limited and (ii) Granting Related Relief* [Dkt. No. 2369] (the “**Committee Motion**”):²

NOTICE

1. On April 4, 2023, the Committee filed the Committee Motion. In the Committee Motion, the Committee stated that “[c]onsistent with the Court’s statements in the Customer Claims Decision, the Committee intends to bring other claims and causes of action (for example, substantive consolidation and fraudulent conveyance) regarding account holders’ rights and entitlements . . . [and] intends to coordinate these actions to the extent possible on the schedule approved by the Court so that all relevant evidence and arguments can be presented to the Court efficiently.” Committee Mot. at 6, n.6.

2. On April 15, 2023, the Committee filed a limited objection [Dkt. No. 2471] (the “**Committee Objection**”) to the *Series B Preferred Holders’ Motion for Entry of an Order Establishing Estimation Procedure for the Intercompany Claim Between Celsius Network LLC and Celsius Network Limited in Furtherance of Formulating the Debtors’ Plan of Reorganization* [Dkt. No. 2367] (the “**Series B Motion**”). In the Committee Objection, the Committee proposed a schedule by which estimation, substantive consolidation and constructive fraudulent transfer could be litigated simultaneously. Committee Obj. ¶ 8.

² Capitalized terms used but not defined herein have the meanings given to them in the Committee Motion.

3. Also, on April 15, 2023, the Debtors filed a limited objection to the Committee Motion and the Series B Motion [Dkt. No. 2472] (the “**Debtors Objection**”). The Debtors expressed their agreement with the Committee that “the interrelated issues of estimation of intercompany claims, substantive consolidation, and constructive fraudulent transfer should be litigated simultaneously.” Debtors Obj. ¶ 6. However, the Debtors proposed a schedule that differed from the schedule proposed by the Committee. *Id.*

4. Following the filing of the Committee Objection and the Debtors Objection, the Committee and the Debtors further conferred and reached agreement on a form of schedule, which is set forth below.³ The Committee and the Debtors transmitted this agreed proposed schedule to the Series B Preferred Holders on April 15, 2023, and requested to meet and confer. As of the filing of this Notice, the Series B Preferred Holders have not responded to the Committee’s request.

5. Accordingly, the Committee requests that the Court enter the revised proposed order attached as **Exhibit A** (the “**Revised Proposed Order**”), which reflects the below agreed schedule between the Debtors and the Committee:⁴

Task	Deadline
Deadline for (i) Debtors and/or Committee to file motion for substantive consolidation and (ii) Committee to file adversary complaint asserting constructive fraudulent transfer claim	Monday, May 1
Deadline for parties to serve written discovery regarding (i) estimation, (ii) substantive consolidation and (iii) constructive fraudulent transfer (note: each party may propound a total of 12 interrogatories)	Thursday, May 4
Deadline for responses to written discovery	Monday, May 8
Deadline for substantial completion of document production	Wednesday, May 31

³ The Committee reserves all rights in connection with any additional claims or causes of action to those reflected on the agreed schedule.

⁴ A redline of the Revised Proposed Order to the order originally submitted with the Committee Motion is attached as **Exhibit B**.

Deadline to complete fact depositions	Thursday, June 15
Deadline for expert reports	Friday, June 16
Deadline for expert rebuttal reports	Friday, June 23
Deadline to complete expert depositions	Friday, June 30
Deadline for parties to file opening briefs	Friday, June 30
Deadline for parties to file response briefs	Monday, July 10
Deadline to exchange witness and exhibit lists	Wednesday, July 12
Deadline for objections to witness and exhibit lists	Friday, July 14
Trial on (i) estimation, (ii) constructive fraudulent transfer and (iii) substantive consolidation	Monday, July 17

6. This proposed schedule also resolves certain objections that the Series B Preferred Holders raised in the *Limited Objection to the Committee’s Motion to Establish Procedures to Estimate the Intercompany Claim Between Celsius Network LLC and Celsius Network Limited* [Dkt. No. 2473] (the “**Series B Objection**”). First, the Series B Preferred Holders objected that the Committee had not provided “details regarding the scope or bases of” substantive consolidation and constructive fraudulent transfer “or the procedural posture in which they may be raised.” Series B Obj. ¶ 2. The above schedule provides that on May 1, 2023, the Debtors and/or the Committee will file a motion setting forth the basis for substantive consolidation of LLC and CNL, and the Committee will file an adversary complaint setting forth the basis for a constructive fraudulent transfer claim by LLC against CNL. Second, the Series B Preferred Holders objected that the schedule submitted with the Committee Motion had expert reports due at the same time as opening briefs, rather than before. *Id.* ¶ 3. The above schedule requires all expert reports to be exchanged before the parties file opening briefs. Third, the Series B Preferred Holders objected that the dates and deadlines in the schedule submitted with the Committee Motion should be extended out. *Id.* ¶ 4. The above schedule does so, with trial occurring in July rather than June.

7. The only remaining issue of which the Committee is aware is whether estimation, substantive consolidation and constructive fraudulent transfer should be tried simultaneously. For the reasons set forth in the Committee Objection and the Debtors Objection, the Committee submits that they should be.

8. Please take notice that the Court will consider the Committee Motion, including the Revised Proposed Order, at the hearing on **April 18, 2023, at 10:00 a.m., prevailing Eastern Time** (the “**Hearing**”). The Hearing will be conducted remotely using Zoom for Government in accordance with General Order M-543 dated March 20, 2020. Parties may obtain copies of the Committee Motion and any other pleadings filed in these chapter 11 cases for free on Stretto’s website at <https://cases.stretto.com/celsius> or for a fee and in accordance with the procedures on the Court’s website at <http://www.nysb.uscourts.gov>.

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Dated: April 17, 2023
New York, New York

Respectfully submitted,

/s/ Samuel P. Hershey

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